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Gas cylinders come with `40 lakh risk cover

Little-known fineprint

Flabbergasted? DNA discusses the truths of this well-hidden treasure trove of security

Harshit Singh



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Every year, Jaipur sees its fair share of LPG cylinder mishaps causing loss of life, limb and material assets. While most of us know how to avoid accidents, few know that we have Rs40 lakh risk cover in case of damage due to cylinder explosion!

"Around 100 incidents of cylinder explosions take place in different parts of the city every year. Instances of death in such incidents are low, but cylinder explosions cause maximum damage to houses and commercial institutions," informed Ishwar Lal Jat, chief fire officer, adding that most people don't claim this insurance amount.

In fact, companies have not seen a single insurance claim from Jaipur in years. Given the level of awareness, it's not a surprise.

Customers unaware

Most homemakers were completely shocked when DNA told them about the insurance cover available on LPG cylinders. "I never knew that such damages could be claimed from the gas agency," said Varsha Singh.

Leave alone simple homemakers, even well-read professionals seem to have little clue of this "hidden benefit". "I did not know that we get insurance in case an LPG cylinder explodes. The staff at the gas agency never informed me," said Amit Agarwal, a chartered accountant who recently got a gas connection.

Ignorance pays only the insurers

Every month, nationalised insurance companies get lakhs of rupees as premium and this amount increases constantly with an ever rising number of ignorant consumers, each of whom are covered in part by the Oriental Insurance Company and the gas agency concerned.

"We received Rs26 lakh as monthly premium from a single gas agency in Jaipur, a city which has more than 400 gas agencies," an agency owner said.

Adding that in the two decades since he's been running the gas agency, not a single customer has claimed insurance despite several mishaps.

T&C apply

Everyone knows the difference an asterisk at the top of a 'SALE' poster can make. So goes for your eligibility to claim insurance.

"The amount of insurance payable varies according to the installments deposited by the agency. Also, if an accident is caused by cylinder explosion where accessories used were original and ISI approved, then customers can claim damages; otherwise not," said a senior manager with one of the leading government-run insurance companies.

It is fairly easy and cheap to check if your accessories you use are acceptable. At Rs70 as maintenance charges for two years, the local gas agency will check whether the accessories in use are branded or not — an important condition while claiming insurance.

In case of death due to explosion of gas cylinder, the victim has to appeal in the court demanding compensation. The court decides the amount of insurance according to age, salary and other conditions.

Shirking responsibility

Sources claim that the government, insurance companies and the gas agencies gain from your ignorance.

The claim was confirmed by a gas agency owner who said the information should be common knowledge since it is mentioned on the office notice board and it is mandatory to do so. Interestingly, the gas agency did not have a notice board in its office.

The man also claimed that if a case is reported compensation is given. "However, no genuine cases have been found to give compensation as customers flout the norms," he said, failing to mention the vital maintenance charges which would ensure consumers got their due!

For the government, sources claim, educating consumers would mean shelling out more money on a subsidised item. "Government loses Rs166 on each LPG cylinder. Around 6 lakhs cylinders are sold in Jaipur due to which the concerned agencies are least interested in spending on spreading the word. Advertising would mean they shell out more money... even if it for public welfare," the source said.

IOC manager Dilip Dixit refused to comment.

Councillor Mohini Kanwar flayed the gas agencies and the government for not advertising information about the insurance cover available.

"Gas agencies have not even put a notice outside their office. How can the customer then become aware of such facts?"

The agencies must inform customers about the insurance cover and its norms. Had even one agency displayed this information several people in need would have benefited," she said.

Turn to the court

Bhanwar Singh Chauhan, a senior advocate, confirmed that customers are insured from the time they buy an LPG connection. "If a customer is kept in the dark, they can complain about it in the consumer court and even file a petition against the agencies concerned for withholding the information," he said.

Insurance agents said it is very easy to get the claim — inform cops and gas agency, wait for survey by insurance officials and soon you will get the claim amount.

I did not know that we get insurance in case an LPG cylinder explodes. The staff at the gas agency never informed me. — Amit Agarwal, who recently got a domestic LPG connection

Sources claim since the government loses Rs 166 on every cylinder, it has not bothered to educate masses. "Advertising would mean they shell out more money... even if it for public welfare

If an accident is caused by cylinder explosion where accessories used were original and ISI approved, then customers can claim damages; otherwise not

The amount of insurance payable varies according to the installments deposited by the gas agency

Each household with an LPG connection is covered in part by a nationalised insurance firm and the gas agency concerned

With few aware of this provision, insurance companies pocket lakhs of rupees which they receive as premium and this amount increases constantly with an ever rising number of new and ignorant consumers



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